

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

for the Six Months ended June 30, 1972

	Six Months ended June 30, 1972	Six months ended June 30, 1971
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(in thousands of dollars)

SOURCES OF FUNDS

Net Earnings — before Minority Interests	\$ 839	\$ 203
Depreciation and Amortization	891	593
Increase in Short Term Bank Borrowing	1,153	1,919
Deferred Liabilities	440	(87)
Issue of Shares	5,672	14
Sales of Fixed Assets	134	1
Other	21	(33)
	<u>\$9,150</u>	<u>\$2,610</u>

APPLICATIONS OF FUNDS

Purchase of Fixed Assets	\$2,335	\$ 840
Investments	4,619	497
Increase in Working Capital (excluding cash and short term bank advances)	1,808	879
Dividends — Preferred Shares	48	50
— Common Shares	180	96
Dividends to Minority Shareholders in Subsidiary Companies	11	13
Deferred Charges	73	164
Redemption of Preferred Shares	76	71
	<u>\$9,150</u>	<u>\$2,610</u>

INDAL CANADA LIMITED OPERATING SUBSIDIARIES AND DIVISIONS

ALUMIPRIME DIVISION, Toronto

BRAMPTON ALUMINUM
PRODUCTS LIMITED, Brampton

COMMERCIAL ALUMINUM
PRODUCTS LIMITED, Toronto

CUSTOM ROLLFORMING
COMPANY LIMITED, Toronto

CUSTOM ZINC DIE CASTING
LIMITED, Toronto

DOMINION ALUMINUM
FABRICATING LIMITED, Toronto

DOMINION BRONZE LIMITED,
Winnipeg

EASTLAND METALS LTD., Toronto

FABRICATED STEEL PRODUCTS
(WINDSOR) LIMITED, Windsor

FAIRMONT PLATING (ALTA) LTD., Edmonton,
Calgary, Saskatoon, Regina, Winnipeg, Fargo,
North Dakota

FASHION GRILLES LIMITED, Toronto

INDAL PRODUCTS LIMITED
REBMEC DIVISION, Toronto
TRAILWIND DIVISION, Toronto
LITE METALS DIVISION, Mississauga

INDALEX LIMITED, Toronto, Montreal, Calgary,
Port Coquitlam, B.C.

McKNIGHT WINDOW INDUSTRIES
LIMITED, Toronto

MISSISSAUGA ALUMINUM INDUSTRIES
LIMITED, Toronto

RAM PARTITIONS LIMITED, Brampton

WESDALE INDUSTRIES LIMITED, Toronto

WESTERN ALUMINUM PRODUCTS, Calgary
Edmonton, Saskatoon, Kelowna, Port Coquitlam

WESTLAND METALS DIVISION of INDAL
WESTERN LTD., Vancouver, Calgary

INDAL Canada Limited

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CONSOLIDATED STATEMENT OF EARNINGS

for the Six Months ended
June 30, 1972





We are pleased to report that the encouraging forecast for the construction industry mentioned in the first quarter report has proved to be justified and your Group's results for the first six months reflect a good level of volume in all companies. The earnings for the six months to June 30, 1972 are \$715,000 (53.3c. per share) and compare with earnings of \$198,000 (15.6c. per share) for the equivalent period in 1971. Both sales and earnings are considerably in excess of any other comparable period in your Group's history.

The results for the six months include acquisitions made during this period although those companies already existing in the Group showed continued improvement and a good rate of growth. The level of trading for July gives every indication that it will be another satisfactory month and the outlook for the year remains encouraging.

During the second quarter your company purchased 80% of the share capital of Fabricated Steel Products (Windsor) Limited, a company engaged in the manufacture of automobile parts, other steel products and aluminum boats. Under the terms of the purchase agreement the results of this operation have been consolidated with those of your Group from the first of January 1972. This acquisition represents a significant step in broadening your Group's activities in metal fabricating and considerably reduces our dependence on the construction industry and its cyclical trends.

Following the successful one-for-two rights offering in April, Group earnings now begin to absorb the diluting effect on earnings per share based on the average number of shares outstanding. We are satisfied with the results of the first six months and in view of the continuing good outlook for the construction industry and the contribution being made by recent acquisitions, it is felt that confidence in your Group's future remains well based.

W. E. STRACEY
President

Toronto, Ontario
August 15, 1972

INDAL CANADA LIMITED and Subsidiary Companies

CONSOLIDATED STATEMENT OF EARNINGS

for the Six Months ended June 30, 1972

	Six months ended June 30, 1972	Six months ended June 30, 1971
Sales	\$26,147,820	\$15,203,523
Cost of Sales	20,657,770	12,190,181
GROSS PROFIT	5,490,050	3,013,342
Expenses	4,091,123	2,775,789
Selling and Distribution	1,826,559	1,216,584
Administration	1,707,410	1,190,417
Financial	557,154	368,788
	1,398,927	237,553
Other Income less Expenses	83,976	15,740
	1,482,903	253,293
Income from Partnership	178,755	154,247
EARNINGS BEFORE TAXATION	1,661,658	407,540
Taxation	822,748	204,312
EARNINGS AFTER TAXATION AND BEFORE MINORITY SHAREHOLDERS' INTEREST	838,910	203,228
Minority Shareholders' Interest	124,009	4,668
NET EARNINGS FOR THE SIX MONTHS	\$ 714,901	\$ 198,560
Preferred Dividends	\$ 47,501	\$ 50,000
Average Number of Common Shares Outstanding	1,252,285	955,358
Earnings per Common Share	53.3c.	15.6c.

NOTES: (1) The results are unaudited.

(2) The exercise of the outstanding common share warrants and options and the conversion into common shares of the \$2,000,000 convertible debentures would result in a dilution of 4.7c. per share.

Corp report
26,147,820
26,410,551
15,373,510